

## Message Text

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ACTION EB-07

INFO OCT-01 AF-10 ARA-10 EA-07 EUR-12 NEA-10 IO-13

ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02 USIA-06

AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04

NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00

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R 231700Z JUN 77

FM USMISSION GENEVA

TO SECSTATE WASHDC 8557

INFO AMEMBASSY BRUSSELS

USUN NEW YORK 5098

AMEMBASSY PARIS

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USEEC; USOECD

E.O. 11652: NA

TAGS: EAID ETRD UNCTAD

SUBJ: UNCTAD SYG COREA'S VIEWS ON CIEC AND COMMODITY PROBLEMS

1. UNCTAD SYG COREA MADE FOLLOWING POINTS OF SPECIAL INTEREST IN THE COURSE OF COURTESY CALL JUNE 16 BY AID ADMINISTRATOR GILLIGAN, AMBASSADOR WELLS, AND CHARGE SORENSON.

2. COREA SAID HE AND MANY MEMBERS OF G-77 HAVE "SOBER" VIEW OF CIEC OUTCOME. WHILE SOME PROGRESS WAS MADE, MANY PROBLEMS WERE LEFT UNRESOLVED. FROM UNCTAD'S OWN STANDPOINT, HOWEVER, THE OUTCOME OF CIEC WAS NOT TOO BAD, PARTICULARLY SINCE THE DECISION ON THE COMMON FUND WENT SUBSTANTIALLY BEYOND LANGUAGE AGREED AT UNCTAD IV AND THUS REPRESENTED A REAL STEP FORWARD.

3. DESPITE THIS, COREA EXPRESSED STRONG CONCERN OVER PERSISTENCE OF WIDE DIVERGENCE OF VIEWS REGARDING THE COMMON FUND. HE  
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URGED THAT SERIOUS EFFORTS BE UNDERTAKEN OVER NEXT FEW MONTHS TO BRING POSITIONS OF THE PARTIES CLOSER TOGETHER SO THAT CF NEGOTIATING CONFERENCE IN NOVEMBER CAN HAVE BETTER CHANCE OF BEING SUCCESSFUL. WHILE OBVIOUSLY NOT WISHING TO MINIMIZE IMPORTANCE OF NOVEMBER MEETING, HE REFERRED, INTERESTINGLY, TO THE NEED TO INSURE SUCCESS "AT THE NEXT ONE OR TWO CONFERENCES". HE STRESSED THAT FAILURE TO AGREE ON

ESTABLISHING A COMMON FUND COULD HAVE VERY ADVERSE EFFECT  
ON FUTURE PROSPECTS FOR INTERNATIONAL COOPERATION.

4. COREA REPEATED WELL-KNOWN POSITION THAT ESTABLISHMENT  
OF CF IS AN ESSENTIAL FIRST STEP IN MOVING EFFECTIVELY  
TOWARD GENERAL RESOLUTION OF COMMODITY PROBLEMS. HE STRESSED  
THAT CF NOT IN CONFLICT WITH THE CASE BY CASE APPROACH SINCE  
ITS RELATIONSHIP TO EACH COMMODITY AGREEMENT WOULD HAVE TO  
BE CONSIDERED SEPARATELY, AND THERE WAS POSSIBILITY THAT SOME  
SCHEMES WOULD NOT REQUIRE FINANCING FROM THE COMMON FUND.  
COREA ALSO NOTED THAT PLANS CALLED FOR RAISING TWO-THIRDS OF  
ESTIMATED THREE BILLION DOLLAR REQUIREMENT FOR THE COMMON  
FUND FROM PRIVATE CAPITAL MARKETS, PARTICULARLY OPEC SOURCES,  
AND THAT FINANCING BURDEN CARRIED BY GOVERNMENTS WOULD BE  
RELATIVELY SMALL.

5. COREA EXPRESSED CONSIDERABLE DISCOURAGEMENT OVER LACK OF  
PROGRESS IN REACHING-COMMODITY AGREEMENTS GENERALLY AND SAID  
HE IS GIVING THOURHT TO PROPOSING, AS A DEVICE TO BREAK THE  
IMPASSE, THAT PRODUCERS AND CONSUMERS SHOULD AIM IN THE  
FIRST INSTANCE ONLY FOR AGREEMENT ON PRICE RANGES, LEAVING  
NEGOTIATION OF OTHER PROVISIONS TO A LATER STAGE.SORENSEN

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
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**Executive Order:** N/A  
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